

Form and Correctness Approved: *BAP*

Contents Approved:

By: _____
Office of the City AttorneyBy: _____
DEPT. Finance

NORFOLK, VIRGINIA

Ordinance No. 48637

AN ORDINANCE SUPPLEMENTING AND AMENDING
ORDINANCE NO. 48,542, REGARDING THE ISSUANCE
OF WASTEWATER SYSTEM REVENUE BONDS FOR
WASTEWATER IMPROVEMENTS

- - -

WHEREAS, the Council (the "Council") of the City of Norfolk, Virginia (the "City") previously adopted Ordinance No. 48,542 (the "Prior Ordinance") that authorized the City to issue more than one series of wastewater system revenue bonds of the City (the "Bonds");

WHEREAS, following the adoption of the Prior Ordinance, the City received a Commitment Letter dated November 22, 2021 (the "Commitment Letter") from the Virginia Resources Authority, as Administrator of the Virginia Water Facilities Revolving Fund ("VRA"), which Commitment Letter is attached hereto as Exhibit A;

WHEREAS, the Commitment Letter sets forth the terms and conditions for the first series of Bonds to be issued under the Prior Ordinance, which terms and conditions include the forgiveness of a portion of the principal amount of the first

series of Bonds and an interest rate of 0.5% (instead of the 0% that was inadvertently included in the Prior Ordinance).

NOW, THEREFORE, BE IT ORDAINED by the Council of the City of Norfolk:

Section 1:- That the Council hereby reaffirms its authorization of the issuance and sale of the Bonds and supplements and amends the Prior Ordinance to provide that the issuance and sale of the first series of Bonds shall be made in accordance with the terms, conditions and financing parameters set forth in the Commitment Letter and any subsequent series of Bonds shall be issued on such terms and conditions as may be approved by the Director of Finance, provided that no series of Bonds shall bear interest at a rate exceeding 3.0%.

Section 2:- That, except as supplemented or amended hereby, the Prior Ordinance is hereby ratified and confirmed in all respects.

Section 3:- That the appropriate officers or agents of the City are hereby authorized and directed to file a certified copy of this Ordinance with the Circuit Court of the City pursuant to Sections 15.2-2607 and 15.2-2627 of the Code of Virginia of 1950, as amended.

Section 4:- That this Ordinance shall take effect from and after its adoption.

ATTACHMENTS:

Exhibit A (2 pages)

Adopted by Council January 25, 2022
Effective January 25, 2022

TRUE COPY

TESTE:

RICHARD ALLAN BULL

BY:

CHIEF DEPUTY CITY CLERK



Stephanie L. Hamlett
Executive Director

November 22, 2021

Dr. Larry Filer II
City Manager
City of Norfolk
P.O. Box 1080
Norfolk, Virginia 23501

**Re: Virginia Water Facilities Revolving Fund
City of Norfolk, Virginia
C-515664E (FY2020 Funding Cycle) Commitment Letter**

Dear Dr. Filer:

Virginia Resources Authority (the "Authority") is pleased to advise you that the State Water Control Board (the "Board") has authorized funding from the Virginia Water Facilities Revolving Fund (the "Fund") to the City of Norfolk (the "City") to finance the replacement of various sewer lines, mains, and equipment upgrades, together with related expenses (the "Project"). Funding consists of a principal repayment loan in an amount up to \$8,545,230 (the "Principal Repayment Loan") and a principal forgiveness loan in an amount up to \$454,770 (the "Principal Forgiveness Loan") for a total funding package of up to \$9,000,000 (the "Loan"). The cost of funds on the Principal Repayment Loan will be 0.50%, comprised of interest to the Fund of 0.30% and a fee of 0.20% for administrative and management services attributable to the Loan. The Principal Repayment Loan payments will begin approximately six months after Project completion. The term for the Principal Repayment Loan can be no greater than thirty years from the Loan closing date.

The Authority hereby offers to extend to the City the Loan as stated, subject, however, to the satisfaction of the conditions to purchase the City's Local Bond set forth in the enclosed form of Financing Agreement (Sections 2.1, 3.1, and 3.2). A form of the Funding Agreement for the Principal Forgiveness Loan is also enclosed.

It is understood that the Principal Repayment Loan will be secured by a pledge of revenues from the City's sewer system. The City's Local Bond evidencing the Principal Repayment Loan shall be issued on a parity basis with all outstanding bonds secured by the City's sewer revenues.

Loan closing and the disbursement of funds thereunder shall be subject to the availability of funds from the (a) United States Environmental Protection Agency Capitalization Grant under the Water Quality Act of 1987 and (b) Commonwealth of Virginia match grant.

The Local Bond shall be accompanied by an opinion of the City's bond counsel to the effect that the Local Bond will not be a "private activity bond" as defined in Section 141 of the Internal Revenue Code of 1986.

Dr. Larry Filer
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Loan closing and the disbursement of funds in connection therewith shall remain subject to satisfaction of any condition prerequisite thereto established by the Board. The City shall comply in all respects with all applicable federal, state and local laws, regulations and other requirements relating to or arising out of or in connection with the Project and the funding thereof by the Authority. The amount of the first disbursement on the Loan must exceed the lesser of \$50,000 or five percent (5%) of the principal amount of the Loan. Loan closing will not be set until the first disbursement conforms to this requirement and the City has satisfied all applicable pre-closing conditions.

The Authority reserves the right to withdraw or alter the terms of this commitment if, between the date of the City's loan application and the date of closing, (i) the City incurs any debt or (ii) the financial condition of the City changes in a way deemed material by the Authority in its sole discretion.

If Loan closing shall not have occurred by June 30, 2022, it is understood that the Authority and the Board reserve the right to modify any of the conditions of this commitment or to withdraw the funding offer. Furthermore, authorization for funding can be withdrawn for not completing requirements in a timely manner.

If you have any questions concerning the foregoing, please call Joe Bergeron at 804-616-3442. **If you concur with the terms and conditions herein stated, please acknowledge your acceptance thereof by signing below and returning the original to me.** Retain a copy for your records.

Very truly yours,



Stephanie L. Hamlett
Executive Director

The City of Norfolk fully intends (i) to use the offered Loan for the Project and (ii) to commence or continue the Project, as applicable, pending closing of the Loan, on or about the _____ day of _____, 2021. The foregoing terms and conditions are hereby acknowledged and accepted the _____ day of _____, 2021.

By: _____
City Manager

cc: Arthur E. Anderson, Esq.
Christine Garczynski, Director of Finance, City of Norfolk
Megan M. Gilliland, Esq.
Karen M. Doran, Virginia Department of Environmental Quality

Attachment: Ordinance Exhibit A (Ordinance No. 48637 : Wastewater Revenue Bonds - Amendment)